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BOSSIER PARISH ASSESSOR

BENTON, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05



**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Table of Contents

Independent Auditor's Report	1
Management's Discussion and Analysis	2
Basic Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Assets (Statement A)	7
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities (Statement B)	8
Notes to the Financial Statements	9
Required Supplemental Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Cash Basis) and Actual (Cash Basis) – General Fund.....	18
Notes to the Budgetary Comparison Schedule.....	19
Other Reports:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	20
Summary Schedule of Current Year Audit Findings	22
Summary Schedule of Prior Year Audit Findings	23



Certified Public Accountants • Management Consultants • Business Advisors
INDEPENDENT AUDITOR'S REPORT

Assessor Bobby W. Edmiston
Bossier Parish Assessor
Benton, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Bossier Parish Assessor (the Assessor), a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2004, which collectively comprise the Assessor's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

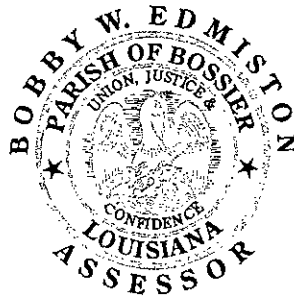
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Assessor as of December 31, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2005, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 2 through 6 and 18, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Smith Pugh & Company, LLP
Certified Public Accountants
Shreveport, Louisiana
May 17, 2005



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004

This section of the Bossier Parish Assessor's (the Assessor) annual financial report presents our discussion and analysis of the Assessor's financial performance during the fiscal year that ended on December 31, 2004. Please read it in conjunction with the Assessor's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Assessor's revenues increased \$373,886 (20%) while expenses increased only \$55,328 (4%) during the year ended December 31, 2004. Property tax revenue increased \$301,224, due to an increase of 1,060 assessments; state revenue sharing increased \$30,905; and charges for services increased \$39,686.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Assessor's basic financial statements. The Assessor's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Assessor – the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Assessor's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Assessor's financial position, which assists users in assessing the Assessor's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The government-wide financial statements include two statements:

- The *Statement of Net Assets* presents all of the Assessor's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Assessor's net assets may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.
- The *Statement of Activities* presents information showing how the Assessor's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- *Governmental Funds Financial Statements.* The services provided by the Assessor are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Assessor's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Assessor's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Assessor.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Assessor's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities.

The Assessor's only governmental fund is the General Fund. It is considered a major fund for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The

notes to the financial statements can be found immediately following the government funds financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance of the General Fund as presented in the governmental fund financial statements.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the Assessor's financial position. The Assessor's assets exceeded liabilities by \$2,676,817 as of December 31, 2004.

\$30,362 (1%) of the net assets reflects the Assessor's investment in capital assets such as office equipment, computer equipment and vehicles, less any related debt used to acquire those assets that is still outstanding. At December 31, 2004, the Assessor did not have any debt related to the acquisition of capital assets. The Assessor uses these capital assets to provide services to the citizens of Bossier Parish, Louisiana; consequently, these assets are not available for future spending.

The larger portion of the Assessor's net assets, \$2,646,455 (99%), is unrestricted and may be used to meet the Assessor's ongoing obligations to citizens and creditors at the discretion of the Assessor. \$681,176 (26%) of the unrestricted net assets of the Assessor consists of cash and highly liquid investments.

Bossier Parish Assessor's Net Assets

	2004	2003
Current assets	\$ 2,666,841	\$ 2,066,077
Capital assets	30,362	48,805
Total assets	2,697,203	2,114,882
Current liabilities	20,386	23,102
Invested in capital assets, net of related debt	30,362	48,805
Unrestricted	2,646,455	2,042,975
Total net assets	\$ 2,676,817	\$ 2,091,780

Changes in Net Assets

The Assessor's net assets increased by \$585,037 or 28% during the year ended December 31, 2004. Approximately 80% (\$1,758,656) of the Assessor's total revenue was derived through property taxes, while approximately 11% (\$243,962) was derived through state revenue sharing and approximately 8% (\$177,755) was derived through charges for services performed (permits, copies, etc.). Revenues were generally higher than the prior year. Expenses incurred by the Assessor are primarily for providing property assessments within Bossier Parish, Louisiana. Approximately 87% (\$1,398,479) of the Assessor's expenses are for salaries and related payroll taxes and employee benefits.

In 2004, governmental activity expenses exceeded program revenues, resulting in the use of \$1,433,333 in general revenues (mostly property taxes).

Bossier Parish Assessor's Changes in Net Assets

Revenues:	Governmental Activities	
	2004	2003
Program revenues:		
Charges for services	\$ 177,755	\$ 138,069
General revenues:		
Property taxes	1,758,656	1,457,432
State revenue sharing	243,962	213,057
Interest	15,752	13,681
Total revenues	<u>2,196,125</u>	<u>1,822,239</u>
Expenses:		
Property assessment	1,611,088	1,555,760
Increase in net assets	585,037	266,479
Net assets, beginning of year	<u>2,091,780</u>	<u>1,825,301</u>
Net assets, end of year	<u><u>\$ 2,676,817</u></u>	<u><u>\$ 2,091,780</u></u>

FINANCIAL ANALYSIS OF THE ASSESSOR'S INDIVIDUAL FUNDS

As noted earlier, the Assessor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Assessor's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Assessor's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Assessor's net resources available for spending at the end of the year.

The General Fund is the chief operating fund and the only governmental fund of the Assessor. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved fund balance as of December 31, 2004, (\$2,566,571) represents 161% of the total General Fund expenditures (\$1,592,645) for the year ended December 31, 2004. The General Fund's fund balance increased by \$523,596 during 2004. This is approximately a 26% increase from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Assessor complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The Assessor's budget was not amended during 2004.

The actual revenues were \$159,404 above the budgeted amounts and the actual expenditures were \$7,547 less than the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Assessor's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$140,099, net of accumulated depreciation of \$109,737, leaving a book value of \$30,362. Investment in capital assets is in the following categories: Office equipment, computer equipment and vehicles.

The total decrease in the Assessor's investment in capital assets for the current year was about 38% in terms of book value. The Assessor did not purchase or construct any assets during the year. Depreciation charges for the year totaled \$18,443.

Debt Administration

The Assessor does not have any outstanding long-term obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for the fiscal year ended December 31, 2005, was prepared:

- Revenues are expected to remain consistent with the prior year.
- Expenses are expected to remain consistent with the prior year.
- Plan to purchase a vehicle in 2005.

CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Jim Strayhan, Comptroller, P.O. Box 325, Benton, LA 71006-0325 or at the Bossier Parish Courthouse, Benton, LA.

BASIC FINANCIAL STATEMENTS

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Governmental Fund Balance Sheet/Statement of Net Assets
December 31, 2004

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 107,598	\$ -	\$ 107,598
Certificates of deposit	85,174	-	85,174
Investments	573,578	-	573,578
Receivables	1,879,294	-	1,879,294
Prepaid insurance	21,197	-	21,197
Capital assets, net of accumulated depreciation (See Note 6)	-	30,362	30,362
Total Assets	<u>\$ 2,666,841</u>	<u>\$ 30,362</u>	<u>\$ 2,697,203</u>
Liabilities:			
Accounts payable	\$ 4,051	\$ -	\$ 4,051
Deferred revenue	92,239	(79,884)	12,355
Other liabilities	3,980	-	3,980
Total Liabilities	<u>100,270</u>	<u>(79,884)</u>	<u>20,386</u>
Fund Balances/Net Assets			
Fund balances:			
Unreserved	2,566,571	(2,566,571)	-
Total Liabilities and Fund Balances	<u>\$ 2,666,841</u>	<u>(2,646,455)</u>	<u>20,386</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt		30,362	30,362
Unrestricted		<u>2,646,455</u>	<u>2,646,455</u>
Total Net Assets		<u>\$ 2,676,817</u>	<u>\$ 2,676,817</u>

The accompanying notes are an integral part of this statement.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Governmental Fund
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance/Statement of Activities
For the Year Ended December 31, 2004

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses			
General government-taxation:			
Salaries	\$ 1,049,432	\$ -	\$ 1,049,432
Group insurance	174,343	-	174,343
Other employee benefits	174,704	-	174,704
Office expense	165,547	-	165,547
Travel	28,619	-	28,619
Depreciation	-	18,443	18,443
Total Expenditures/Expenses	<u>1,592,645</u>	<u>18,443</u>	<u>1,611,088</u>
Program Revenues			
Charges for services	<u>177,755</u>	-	<u>177,755</u>
Net Program Expense	<u>1,414,890</u>	<u>18,443</u>	<u>1,433,333</u>
General Revenues			
Property taxes	1,678,772	79,884	1,758,656
State revenue sharing	243,962	-	243,962
Investment earnings	15,752	-	15,752
Total General Revenues	<u>1,938,486</u>	<u>79,884</u>	<u>2,018,370</u>
Excess of Revenues Over Expenditures	523,596	61,441	585,037
Fund Balance/Net Assets:			
Beginning of the Year	<u>2,042,975</u>	<u>48,805</u>	<u>2,091,780</u>
End of Year	<u>\$ 2,566,571</u>	<u>\$ 110,246</u>	<u>\$ 2,676,817</u>

The accompanying notes are an integral part of this statement.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

INTRODUCTION

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies.

The Assessor's office is located in the Bossier Parish Courthouse in Benton, Louisiana. The Assessor employs 27 employees, including 25 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2004, there are 51,833 real property and moveable property assessments totaling \$279,804,100 and \$185,424,950, respectively. This represents an increase of 1,060 assessments totaling \$71,545,746 over the prior year, caused primarily by an increase in commercial and residential building and the reassessment of existing structures in the parish during the year.

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements of the Bossier Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Managements Discussion and Analysis—for State and Local Governments*, issued in June 1999.

Reporting Entity

The Assessor is an independently elected official; however, the Assessor is fiscally dependent on the Bossier Parish Policy Jury. The policy jury maintains and operates the parish courthouse in which the Assessor's office is located and provides funds for equipment and furniture of the Assessor's office. In addition, the policy jury's basic financial statements would be incomplete or misleading without inclusion of the Assessor. For these reasons, the Assessor was determined to be a component unit of the Bossier Parish Police Jury, the financial reporting entity.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

1. Summary of Significant Accounting Policies (Continued)

The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The Assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain tax assessment functions and activities. A fund is described as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the Assessor's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Assessor. The following is the Assessor's only governmental fund:

General Fund - the primary fund of the Assessor and accounts for all financial resources. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Assessor's policy.

Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Assessor's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

1. Summary of Significant Accounting Policies (Continued)

amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

State revenue sharing is recorded in the year the Assessor is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the column labeled Statement of Activities are derived from users as a fee for services; program revenues reduce the cost of the function to be financed from the assessor's general revenues.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by LSA-R.S. 33:2955 and the Assessor's investment policy. If the original maturities of time deposits exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Capital Assets

Capital assets are capitalized at historical cost. The Assessor maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no long needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 - 7 years
Computer Equipment	3 - 5 years
Vehicles	5 years

Compensated Absences

Employees of the Assessor receive from 10 to 20 days of noncumulative vacation leave each year. Sick leave is granted at the discretion of the Assessor.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

1. Summary of Significant Accounting Policies (Continued)

Net Assets/Fund Balances

In the Statement of Net Assets, the difference between the Assessor's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

This category records net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

Unreserved

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

2. Levied Taxes

The Assessor authorized and levied a 3.69 millage for ad valorem taxes for operations for 2004.

3. Cash and Cash Equivalents

At December 31, 2004, the Assessor had cash (book balances) totaling \$107,348 in interest-bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

3. *Cash and Cash Equivalents (Continued)*

At December 31, 2004, the Assessor had \$170,990 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$70,990 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

4. *Investments*

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Assessor or its agent in the Assessor's name.
2. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent in the Assessor's name.
3. Uninsured or unregistered, with securities held by the counter party, or by its trust department or agent but not in the Assessor's name.

At December 31, 2004, investments held by the Assessor consist of \$573,578 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP by the Assessor is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

4. Investments (continued)

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

5. Receivables

The following is a summary of receivables in the General Fund at December 31, 2004:

Ad valorem taxes	\$ 1,716,652
State revenue sharing	162,642
	<u>\$ 1,879,294</u>

6. Deferred Revenues

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue is comprised of the following as of December 31, 2004.

Uncollected taxes and assessments	\$ 79,884
Protested taxes	12,355
	<u>\$ 92,239</u>

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2004, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Office equipment	\$ 46,540	\$ -	\$ 4,378	\$ 42,162
Computer equipment	54,315	-	5,892	48,423
Vehicles	49,514	-	-	49,514
Total	<u>150,369</u>	<u>-</u>	<u>10,270</u>	<u>140,099</u>
Less accumulated depreciation				
Office equipment	22,068	5,622	4,378	23,312
Computer equipment	50,700	2,919	5,891	47,728
Vehicles	28,795	9,902	-	38,697
Total	<u>101,563</u>	<u>18,443</u>	<u>10,269</u>	<u>109,737</u>
Capital assets, net	<u>\$ 48,806</u>	<u>\$ (18,443)</u>	<u>\$ 1</u>	<u>\$ 30,362</u>

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

8. Pension Plans

Plan Description. Substantially all employees of the Assessor are members of the Louisiana Assessors' Retirement System (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898-4699, or by calling 800-925-4446.

Funding Policy. Plan members are required by state statute to contribute 8% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate. The current rate as of December 31, 2004, was 14% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Assessor's contributions to the System for the years ended December 31, 2004, 2003 and 2002, were \$142,848, \$139,139 and \$118,166, respectively, equal to the required contributions for each year.

Plan Description. Substantially all employees of the Assessor are eligible to participate in the State of Louisiana Deferred Compensation Plan. This defined contribution plan allows employees to elect to defer up to 8% of their salary until they reach retirement age. The Assessor matches up to 25% of the employee's contribution for 2004 and 2003 and 12.5% for 2002, and employees contributing to the plan are immediately vested in the employer contribution. Cost of the deferred compensation plan recognized by the Assessor for the years ended December 31, 2004, 2003 and 2002, totaled \$8,899, \$9,141 and \$4,961, respectively.

9. Other Postretirement Benefits

The Assessor provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Assessor's employees become eligible for these benefits if they reach normal retirement age while working for the Assessor. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the Assessor. The Assessor recognizes the cost of providing these benefits as an

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to Financial Statements
December 31, 2004

9. *Other Postretirement Benefits (Continued)*

expenditure when the monthly premiums are due, which was \$174,343 for 2004. For 2004, the cost of retiree benefits totaled \$34,646 for nine retired employees.

10. *Expenditures of the Assessor Paid by the Parish Police Jury*

The Assessor's office is located in the Bossier Parish Courthouse. Expenditures for operation and maintenance of the parish courthouse, as required by state statute, are paid by the Bossier Parish Police Jury and are not included in the expenditures of the Assessor.

11. *Risk Management*

The Assessor is exposed to various risks of loss related to torts; theft of, damage to and destruction of its assets; errors and omissions; injuries to employees; and natural disasters. The Assessor carries commercial insurance to cover risks of loss. There were no significant reductions in insurance coverage from the prior year.

REQUIRED SUPPLEMENTAL INFORMATION

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Governmental Fund – General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Cash Basis) and Actual (Cash Basis)
For the Year Ended December 31, 2004

	Budgeted Amounts	Variance Positive (Negative)	Actual on Budgetary Basis	Adjustments from GAAP Basis to Budgetary Basis	Actual on GAAP Basis
Revenues					
Ad valorem taxes	\$ 1,365,539	\$ 52,738	\$ 1,418,277	\$ 260,495	\$ 1,678,772
Intergovernmental revenue:					
State revenue sharing	204,000	19,359	223,359	20,603	243,962
Interest income	12,200	3,552	15,752	-	15,752
Permits and other revenue	94,000	83,755	177,755	-	177,755
Total Revenues	1,675,739	159,404	1,835,143	281,098	2,116,241
Expenditures					
General government:					
Salaries	1,045,557	(3,875)	1,049,432	-	1,049,432
Group insurance	172,385	(1,958)	174,343	-	174,343
Office expense	317,786	(17,117)	334,903	5,348	340,251
Travel	33,774	5,497	28,277	342	28,619
Capital outlay	25,000	25,000	-	-	-
Total Expenditures	1,594,502	7,547	1,586,955	5,690	1,592,645
Excess of Expenditures Over Revenues	81,237	\$ 166,951	248,188	\$ 275,408	523,596
Fund Balance at Beginning of Year	2,042,975		2,042,975		2,042,975
Fund Balance at End of Year	\$ 2,124,212		\$ 2,291,163		\$ 2,566,571

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2004

The proposed budget for the December 31, 2004 fiscal year was made available for public inspection at the Assessor's office on December 15, 2003. The proposed budget is prepared on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). All appropriations lapse at year-end.

The budget was not amended during the year ended December 31, 2004.

Through the budget, the Assessor allocates its resources and establishes its priorities. The annual budget assures the efficient and effective uses of the Assessor's economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the Assessor's performance.

The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The Assessor may revise or amend the budget at his discretion. Management may not amend the budget.

The Budgetary Comparison Schedule – Budget to Actual (Cash Basis) presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purpose of developing data on a budgetary basis (cash basis) differ significantly from those used to present financial statements in conformity with GAAP (modified accrual basis), a reconciliation of resulting basis differences in the revenues in excess of (less than) expenditures between budgetary and GAAP presentations for the year ended December 31, 2004, is presented below for the General Fund.

Budgetary Basis Fund Balance, December 31, 2003	\$ 2,042,975
Excess of total revenues over total expenses (Budgetary Basis)	<u>248,188</u>
Budgetary Basis Fund Balance, December 31, 2004	2,291,163
Basis Differences:	
Net accrued revenues and related receivables	281,098
Net accrued expenditures and related liabilities	<u>(5,690)</u>
GAAP Basis Fund Balance, December 31, 2004	<u><u>\$ 2,566,571</u></u>

OTHER REPORTS



Certified Public Accountants • Management Consultants • Business Advisors

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Bossier Parish Assessor
Benton, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Bossier Parish Assessor (the Assessor), a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2004, which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated May 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the use of the Assessor, management and the Legislative auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative auditor as a public document.

Smith Pugh & Company, LLP

Certified Public Accountants
Shreveport, Louisiana

May 17, 2005

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

**Summary Schedule of Current Year Audit Findings
December 31, 2004**

Current Year Audit Findings

None

**BOSSIER PARISH ASSESSOR
BENTON, LOUISIANA**

**Summary Schedule of Prior Year Audit Findings
December 31, 2004**

Prior Year Audit Findings

Item: 2003-1

Criteria or specific requirement:

R.S. 38:2212 requires that all purchases of local governments of any materials or supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder.

Condition:

The Assessor purchased 371 endlock binders for a total price over twenty thousand dollars. The Assessor received 2 quotes and requested another, but did not advertise for bids.

Status:

Corrected